

Message Text

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PAGE 01 SEOUL 02023 130644Z
ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 NEA-10 IO-13 AID-05 CIAE-00
COME-00 EB-08 FRB-03 INR-10 NSAE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 L-03 H-01
SS-15 STR-07 CEA-01 PA-01 SSO-00 INRE-00 NSCE-00
USIE-00 /101 W

-----086431 130649Z /17

O R 130630Z MAR 78
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC IMMEDIATE 9815
INFO AMEMBASSY MANILA

LIMITED OFFICIAL USE SEOUL 2023

USADB

FOR NAC AGENCIES

DEPARTMENT PLEASE PASS TREASURY

E.O. 11652: N/A
TAGS: EAID, EFIN, SHUM, KS
SUBJECT: PROPOSED ADB FIFTH KOREA DEVELOPMENT BANK PROJECT

REF: MANILA 3466

1. BY ITS NATURE, LOAN FOR RELENDING IS DIFFICULT TO JUDGE
IN TERMS OF BASIC HUMAN NEEDS BEFORE ACTUAL LOANS CAN BECOME
KNOWN. THEREFORE, EMBASSY CONCLUDES THAT FAVORABLE JUDGEMENT
SHOULD BE BASED ON THE PROBABLE CREATION OF 6,000 NEW JOBS
THROUGH PROJECT. EMPLOYMENT, IN A COUNTRY WHERE UNEMPLOYMENT
AND UNDEREMPLOYMENT REMAIN MAJOR PROBLEMS AND SOCIAL WELFARE
SERVICES HAVE YET TO BECOME SIGNIFICANT, MEETS A VERY BASIC
HUMAN NEED.

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2. WITH A FREE LIMIT OF \$1 MILLION AND A MAXIMUM SUBLENDING
OF \$4 MILLION, MANY OF THE SUB-LOANS WILL PROBABLY SUPPORT
INCREASED PLANT CAPITALIZATION, RESULTING IN A LARGER AMOUNT
OF CAPITAL FOR EACH EMPLOYEE. THUS, EVEN IN THOSE CASES
WHERE TOTAL EMPLOYMENT REMAINS THE SAME, PRODUCTIVITY
INCREASES FROM ADDITIONAL CAPITAL INPUTS, DEMONSTRABLY BENE-
FIT PRODUCTION RATED INDUSTRIAL WORKERS (THE LOWER END OF

THE JOB SPECTRUM) THROUGH INCREASED EARNINGS. IN SUM, THE
LOAN ADDRESSES EITHER THE PROBLEM OF ENEMPLOYMENT OR UNDER-
EMPLOYMENT, BOTH AT THE POOR END OF THE EMPLOYMENT SPECTRUM.

3. HENCE, EMBASSY CONSIDERS THAT PROJECT MEETS THE SPIRIT
OF BHN CRITERIA A THROUGH N AND MERITS AN AFFIRMATIVE U.S.
VOTE.
SNEIDER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT BANKS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 13 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SEOUL02023
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780111-0161
Format: TEL
From: SEOUL ADB
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780375/aaaaclnr.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f44474c8-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 MANILA 3466
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3351505
Secure: OPEN
Status: NATIVE
Subject: PROPOSED ADB FIFTH KOREA DEVELOPMENT BANK PROJECT
TAGS: EAID, EFIN, SHUM, KS, ADB
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/f44474c8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014